
Appendix 4A
Glossary of Performance Measure Types

Washington Department of Licensing Transportation-related Performance Measures Glossary of Performance Measurement Types

Output Measures

- **Workload & Volume** – Workload measures describe the volume of products or services produced by an organization. While output and workload measures are not true measures of “performance” per se, they are valuable for establishing the scope of work and monitoring trends in product or service demand. In government, output/workload measures of units of service provided tend to be the most common metrics reported.
- **Activity/Process** – Activity measures describe the status or completion of a particular activity. These are based on project-oriented objectives, or things that must be done in order for the DOL to be considered successful.

Financial Perspective Measures

- **Revenue Generation & Budget** – These measures are “big picture” measures that focus on the ability of the organization to effectively generate revenue and operate within budget. In government organizations, they typically focus on revenue generated per specific process output, such as revenue per license issued and budget expenditures relative to allotments.

Customer Perspective Measures

- **Service (or Product) Attributes** – These measures are focused on the attributes of services or products that are most important to the customers that receive the service. Typically, these measures fall into one of four categories: price, quality, timeliness, and/or functionality. The key to these measures is that they reflect the customer’s perspective and interest, not necessarily the agency’s. For example, DOL may want to complete an audit within a certain amount of time. If the timeliness of completing that audit is not of significant importance to the direct customer, then timeliness of the audit is not a valid measure of customer service.
- **Image/Reputation** – These are measures of the attitude of customers toward the organization. They are not “factual” measures, but instead tend to measure customer perception. These measures can address direct customers or indirect customers (the public at large, the legislature, government agencies, for example). The most common measures in this category usually come from customer survey information.
- **Social Outcomes** – These are measures of the “greater good” that DOL delivers to indirect customers (the citizens of Washington State, the public at large). Social outcomes include measures of public health, safety, or well-being, for example. This category of measurement can be problematic, because the potential exists that the agency might believe that an outcome measure in the category is of strategic importance, but in fact the “public at large” may not agree with that assessment. Ideally, social outcome measures should be related to known public values. (This of course is much easier said than done.)

Process Perspective Measures

The measures in these categories are concerned with the effectiveness of DOL’s processes in delivering customer value and/or “big picture” financial performance. The thought here is that if a process does not relate, fairly strongly, to one of the financial or customer perspective measures, then it is not a strategic process. It is critical to remember that while many processes

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are very important, not all processes are strategic (keeping in mind that a “strategy” does not address the entire operations of the DOL, but instead it should reflect the “change agenda” of the agency). Measures typically fall into one of four major categories: (1) managing operations, (2) managing customer relationships, (3) managing innovation, and (4) managing the regulatory and social responsibility processes. The actual measures in this category are usually expressed as one of the following:

- **Efficiency** – These measures evaluate the cost of providing a unit of service to a customer.
- **Quality** – These measures look at the overall quality of a strategic process. For example, the number of vehicle titles issued requiring rework might be such a measure. This measure is related to a process’ performance, and is very different from any quality related measures in the customer perspective.
- **Timeliness** – These measures describe the timeliness of the performance of a process or completion of a product. Process timeliness is important if it contributes to something that the customer cares about, to the revenue generation ability or productivity of the organization, or to the ability of the organization to comply with laws or regulations. (Some timeliness measures are extremely important to the customer, and appear in the Customer Service measure category.)

Learning and Growth Perspective Measures

Learning and growth measures are concerned with measuring the effectiveness of the organization in making the investments that the agency needs to achieve its strategic direction in the long term. These measures can be fairly “soft” in nature given the nature of the subject being measured. These measures typically fall into one of the following three “investment categories:”

- **Employee Development** – These are measures of the effectiveness of investments in the organization’s employees, typically relating to their growth or functionality. An example might be a measure of the effectiveness of employee training.
- **Technology Development**– These measures typically address the effectiveness of the organization in making investments in technology that, in the intermediate to long term, will significantly contribute to the performance of the organization. An example of a measure in this category might be the “competency” of employees to use a newly introduced or enhanced information system. Another measure might be how “current” the organization is in implementing its strategic information systems plan.
- **Culture Development** – These are measures that assess the effectiveness of investments in the culture of the organization. Examples of measures might include the percent of employees that are fully aware an agency’s vision, mission or strategies or measures of organizational morale.